Government of Saskatchewan

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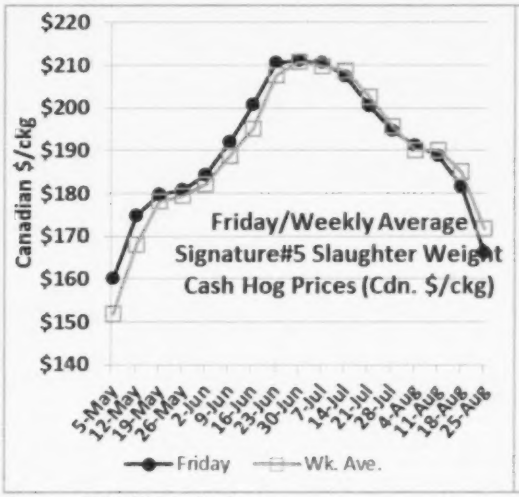
Weekly Hog Report

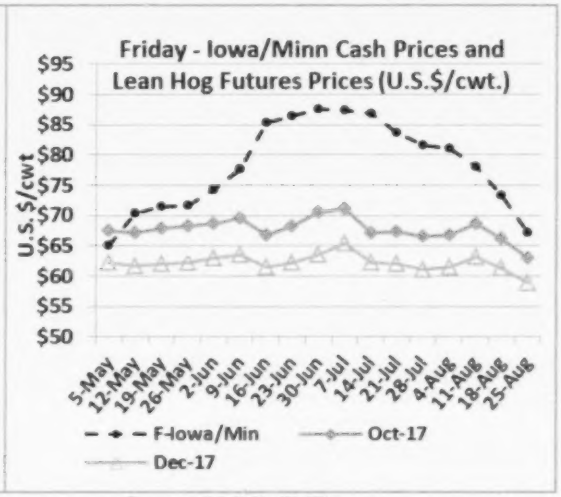
August 28, 2017

Cash Slaughter Weight Hog Prices

United States daily average slaughter weight cash hog prices (Iowa/Minn) moved lower last week with big daily declines, week-over-week. Hog prices on Friday August 25 averaged US$67.05 per cwt, down US$6.16 per cwt or 8.4 per cent from US$73.21 per cwt the previous Friday. The negotiated weekly base price last week averaged US$69.74 per cwt, down US$6.89 per cwt or 9.0 per cent from US$76.63 per cwt the previous week. Slaughter weight hogs prices continued lower on increased seasonal hog slaughter volumes and lower pork cutout values.



Source: HAMS Marketing



Source: LMIC, CME

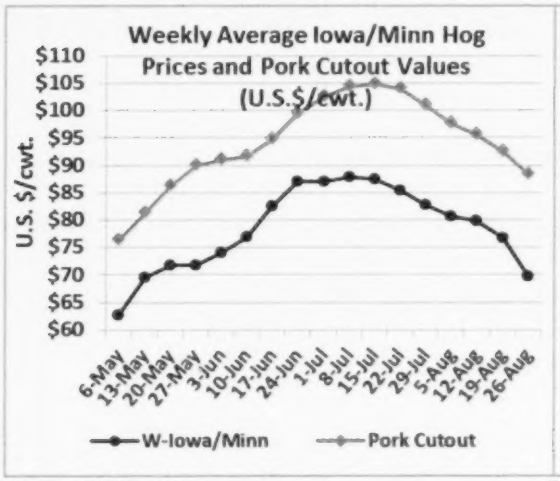
In Canada, the Signature#5 (Maple Leaf) Index 100 daily price for Friday August 25, 2017 was $166.22 per ckg, down $15.43 per ckg or 8.5 per cent from $181.65 per ckg the previous Friday. Signature#5 weekly prices (Friday to Thursday) averaged $171.86 per ckg, down $13.14 per ckg or 7.1 per cent from the previous weeks' average price of $185.00 per ckg. The Canadian dollar ended the week higher compared to the previous week. The Canadian dollar versus the U.S. dollar settled last Friday at 80.05 cents, up 0.60 cents from 79.45 cents the previous Friday.

Futures Markets

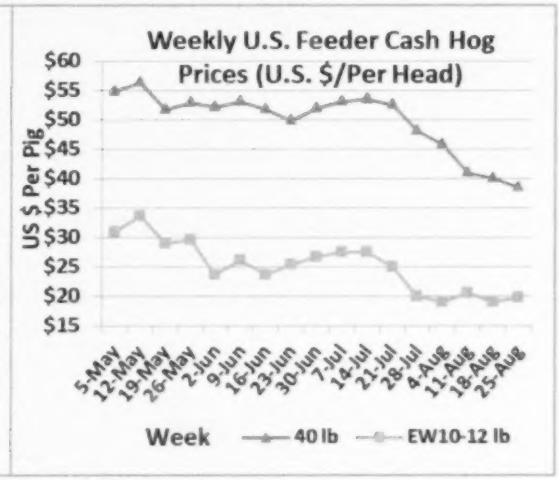
United States lean hog futures daily prices were mixed but primarily lower last week to end the week down, week-over-week. The October lean hog futures contract declined US$3.050 per cwt to settle last Friday at US$63.075 per cwt; while the December contract declined US$2.375 per cwt to settle last Friday at US$58.950 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were mixed last week. Weighted average cash prices for iso-weans (12lb) last week were US$19.89 per head, up US$0.78 per head or 4.1 per cent from US$19.11 per head the previous week. Feeders (40lb) averaged US$38.50 per head, down US$1.42 per head or 3.6 per cent from US$39.92 per head, the previous week.



Source: LMIC



Source: USDA

Iowa cash corn prices settled last Friday at US$2.96 per bushel, down six cents from US$3.07 per bushel the previous Friday. Daily corn futures were primarily lower over the week with the biggest decline on Wednesday to push prices lower, weak-over-week. The September corn contract declined 13.3 cents per bushel to settle last Friday at US$3.87 ¾ per bushel, while the December contract declined 12.3 cents to settle last Friday at 3.53 ½ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending August 26 were estimated at 2.338 million head, up slightly from 2.334 million head the previous week, and up 3.2 per cent from 2.266 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last four weeks have averaged about 2.299 million head, up 2.1 per cent from 2.252 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending August 19, 2017 were estimated at 414,346 head, up 10.5 per cent from 374,969 head the previous shorter holiday week, and up 1.5 per cent from 408,092 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 399,113 head, up 0.5 per cent from 397,106 head over the same period a year ago. Year-to-date, Canadian hog slaughter numbers totaled 13,576,971 head, up 1.9 per cent from the same period a year ago. (Source: AAFC/CFIA)

Meat Production

U.S. pork production for the week ending August 26, 2017 was estimated at 483.6 million lb., up slightly from 482.4 million lb. the previous week, and up 3.0 per cent from 469.5 million lb. the same week a year ago. Pork production over the last four week's ending August 26 was estimated to average 475.5 million lb., up 2.0 per cent from 466.3 million lb. over the same four week period a year ago.

U.S. beef production for the week ending August 26 was estimated at 520.4 million lb., up 1.1 per cent from 514.5 million lb. the previous week, and up 2.9 per cent from 505.8 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending August 19, 2017, was estimated to average 2.121 billion lb., up 2.6 per cent from 2.068 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2017 is estimated to be up 2.1 per cent compared to the same period in 2016.

United States Weekly Meat Production

(August 19) Four Week Average - Million Lb			Percent Change	
	2016	2017	4 Week	YTD 2017
Pork	462.7	470.0	1.6%	2.7%
Beef	482.7	513.9	6.5%	4.5%
Chicken	992.1	1,004.5	1.2%	1.0%
Turkey	130.4	133.1	2.1%	0.4%
Total	**2,067.8**	**2,121.5**	**2.59%**	**2.15%**

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending August 26, 2017 averaged US$88.24 per cwt, down US$4.08 per cwt or 4.4 per cent from US$92.32 per cwt the previous week, but up 16.1 per cent from US$76.01 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending August 26, 2017 averaged US$192.30 per cwt over the week, down US$4.76 per cwt or 2.4 per cent from US$197.06 per cwt the previous week, and down 4.0 per cent from US$200.34 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending August 26, 2017 averaged US$143.93 per cwt, down US$1.54 per cwt or 1.1 per cent from US$145.47 per cwt the previous week, and down 5.8 per cent from US$152.87 per cwt the same week a year ago.

Meat In U.S. Cold Storage

USDA released the latest U.S. cold storage numbers on August 22, 2017. The United States' pork stocks in cold storage totaled 556.2 million lb. on July 31, 2017, down 1.2 per cent from 562.9 million lb. on June 30, 2017, and down 7.1 per cent from 598.6

million lb. on July 31, 2016. U.S. pork stocks in cold storage for July 31, 2017 were below the monthly 12-year highs; but above the 12-year average.

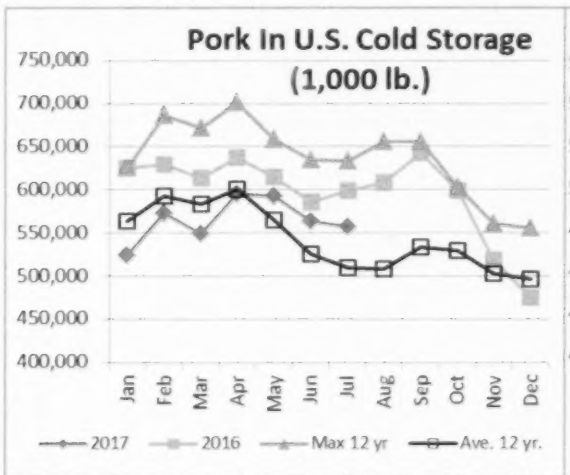
United States Stocks in Cold Storage (Frozen)

	1,000 Pounds		
Commodity	**31-Jul-2016**	**30-Jun-2017**	**31-Jul-2017**
Pork	598,592	562,899	556,179
Beef	469,735	415,326	430,429
Chicken	823,897	806,151	794,820
Turkey	530,278	565,152	590,370
Total Combined	**2,422,502**	**2,349,528**	**2,371,798**

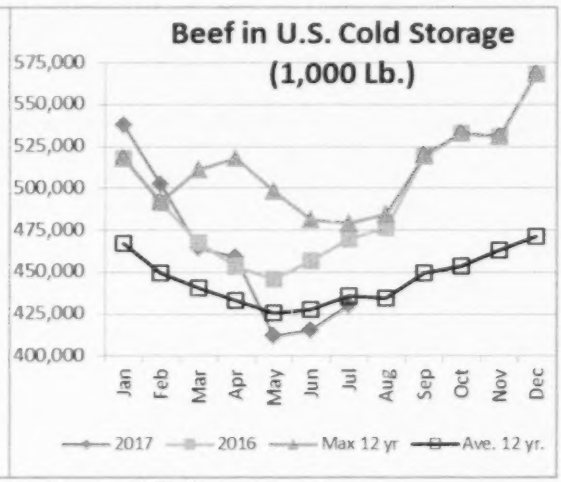
Source: NASS

The U.S. beef stocks in cold storage totaled 430.4 million lb. on July 31, 2017, up 3.6 per cent from 415.3 million lb. on June 30, 2017, but down 8.4 per cent from 469.7 million lb. on July 31, 2016. Beef stocks in cold storage for July 31, 2017 were below the monthly 12-year average and 12-year highs.

Total pork, beef, chicken and turkey in cold storage on July 31, 2017 was at 2.372 billion lb., up 0.9 per cent from June 30, 2017, but down 2.1 per cent from July 31, 2016. U.S. meat in cold storage for July 31, 2017 was above the 12-year average; but below the previous record highs of 2.422 billion lb. established in July 2016.



Source: USDA



Source: USDA

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